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## Consolidated Financial Results for the Year Ended February 28, 2022 [Japanese GAAP]

April 05, 2022

Company name: Daiseki Eco. Solution Co., Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Code number: 1712  
 URL: <https://www.daiseki-eco.co.jp/>  
 Representative: Hiroya Yamamoto, President and Representative Director  
 Contact: Naoto Chindo, Director and General Manager of Headquarters of Planning and Management  
 Phone: 052-819-5310  
 Scheduled date of Annual General Meeting of Shareholders: May 25, 2022  
 Scheduled date of commencing dividend payments: May 26, 2022  
 Scheduled date of filing annual securities report: May 26, 2022  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 01, 2021 to February 28, 2022)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 28, 2022	17,082	14.5	2,102	74.1	2,112	70.1	1,252	81.7
February 28, 2021	14,906	6.1	1,206	(2.4)	1,241	(4.2)	689	1.5

(Note) Comprehensive income: Fiscal year ended February 28, 2022: ¥ 1,590 million [ 81.2%]  
 Fiscal year ended February 28, 2021: ¥ 877 million [ 7.5%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended February 28, 2022	Yen 74.52	Yen -	% 9.1	% 9.9	% 12.3
February 28, 2021	41.00	-	5.4	5.7	8.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 28, 2022: ¥ - million  
 Fiscal year ended February 28, 2021: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of February 28, 2022	Million yen 21,279	Million yen 15,226	% 67.4	Yen 854.20
February 28, 2021	21,275	13,761	61.3	777.02

(Reference) Equity: As of February 28, 2022: ¥ 14,349 million  
 As of February 28, 2021: ¥ 13,062 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended February 28, 2022	Million yen 2,350	Million yen (840)	Million yen (1,895)	Million yen 645
February 28, 2021	2,074	(411)	(1,230)	1,031

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 28, 2021	-	3.00	-	3.00	6.00	100	14.6	0.7
February 28, 2022	-	3.00	-	5.00	8.00	134	10.7	0.9
Fiscal year ending February 28, 2023 (Forecast)	-	5.00	-	5.00	10.00		10.9	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023 (March 01, 2022 to February 28, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended August 31, 2022	9,227	1.4	1,143	(11.6)	1,150	(11.5)	700	(12.2)	41.66
Full year	18,900	10.6	2,490	18.4	2,500	18.3	1,528	22.0	90.94

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

February 28, 2022: 16,827,120 shares

February 28, 2021: 16,827,120 shares

2) Total number of treasury shares at the end of the period:

February 28, 2022: 28,221 shares

February 28, 2021: 16,118 shares

3) Average number of shares during the period:

Fiscal Year ended February 28, 2022: 16,801,794 shares

Fiscal Year ended February 28, 2021: 16,807,132 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (March 01, 2021 to February 28, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 28, 2022	14,957	14.5	1,462	92.3	1,483	83.5	1,031	91.1
February 28, 2021	13,057	7.5	760	(4.7)	808	(7.2)	539	1.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2022	61.42	-
February 28, 2021	32.12	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
February 28, 2022	19,587	13,364	68.2	795.57
February 28, 2021	19,917	12,303	61.7	731.85

(Reference) Equity: As of February 28, 2022: ¥ 13,364 million  
As of February 28, 2021: ¥ 12,303 million

\* Financial results reports are exempt from audits conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable. These statements are not guarantees of future performance. In addition, actual results, etc. may differ materially from these forecasts due to a variety of reasons. For assumptions underlying the forecasts and cautionary notes for using the forecasts, please see “1. Overview of operating results, etc. (4) Future outlook” on page 4 of the Attached Material.

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## 1. Overview of operating results, etc.

### (1) Overview of operating results for the fiscal year under review

During the fiscal year ended February 28, 2022, the Japanese economy continued to see signs of recovery, but weakness was seen in some areas while the difficult situation due to the novel coronavirus disease (COVID-19) still remained. The Company needs to closely monitor the downward risk of business performance, changes in financial and capital markets, and other factors caused by the impact of the further spread of COVID-19, restrictions on the supply side, and surging material prices. For the global economy as well, the impact from COVID-19 is mitigating and recovery is expected, but it is predicted that the impact on financial and commodities markets from the Russia Ukraine situation will force the current economy to undergo significant change.

In the construction industry, to which the Company group (the “Group”) belongs, the COVID-19 status settled down, company earnings and corporate sentiment improved, and both private investment and public investment gradually rose, thereby reflecting the underlying strength of capital expenditure.

Against this backdrop, in the Group’s core business of Soil Investigation and Measures, we focused on winning orders for high-margin projects and consulting sales. Amid intensified low-price competition in metropolitan areas, through these activities, the volume of orders received and unit prices of orders were strong, and factors such as large-scale construction projects and large-scale infrastructure improvement projects contributed to business performance. As a result, consolidated business results for the fiscal year ended February 28, 2022 were as follows: net sales of ¥17,082 million (up 14.5% year on year), operating profit of ¥2,102 million (up 74.1% year on year), ordinary profit of ¥2,112 million (up 70.1% year on year), and profit attributable to owners of parent of ¥1,252 million (up 81.7% year on year).

Operating results by segment are as follows.

#### Soil Investigation and Measures Business

As demand for soil treatment continued on a recovery trend, we focused on winning orders for high-margin projects and consulting sales. The completion of large-scale construction projects that mainly started in the previous fiscal year and the fiscal year under review were concentrated in the first half of the fiscal year under review while the large-scale infrastructure improvement project in the Chukyo area and urban redevelopment projects in the Kansai area mainly drove business performance in the second half. As a result, net sales increased 17.1% year on year to ¥14,094 million, and operating profit increased 61.8% year on year to ¥2,090 million.

#### Gypsum Board Recycle Business

The volumes of waste gypsum board processed by Green Arrows Central Co., Ltd. and Green Arrows Kyushu Co., Ltd. both increased significantly year on year. Amid off-season demand from major customers for soil solidifiers, we strengthened sales activities in distributor sales and direct sales routes while also focusing on wide-area treatment from other prefectures. As a result, net sales increased 16.1% year on year to ¥2,187 million, and operating profit increased 45.7% year on year to ¥618 million.

#### Other

The Bio Diesel Fuel (BDF) Business saw a recovery in orders received from the restaurant industry, which had been suffering from sluggish performance due to the COVID-19 pandemic. However, the PCB Consulting Business was on a low note in terms of the number of projects. In addition, sales of the General Waste Management Business decreased compared to the previous year. As a result, net sales decreased 10.9% year on year to ¥1,081 million, and operating profit decreased 45.7% year on year to ¥88 million.

**(2) Overview of financial position for the fiscal year under review**Assets

The balance of current assets at the end of the fiscal year under review was ¥4,083 million (¥4,252 million at the end of the previous fiscal year), a decrease of ¥168 million. This was primarily due to an increase in notes and accounts receivable - trade and decreases in cash and deposits and inventories.

The balance of non-current assets was ¥17,196 million (¥17,023 million at the end of the previous fiscal year), an increase of ¥173 million. This was primarily due to an increase in investment securities and a decrease in land.

As a result, total assets were ¥21,279 million, an increase of ¥4 million compared with the end of the previous fiscal year.

Liabilities

The balance of current liabilities at the end of the fiscal year under review was ¥4,685 million (¥4,746 million at the end of the previous fiscal year), a decrease of ¥61 million. This was primarily due to increases in accounts payable - other and income taxes payable and decreases in short-term borrowings and current portion of long-term borrowings.

The balance of non-current liabilities at the end of the fiscal year under review was ¥1,367 million (¥2,767 million at the end of the previous fiscal year), a decrease of ¥1,399 million. This was primarily due to a decrease in long-term borrowings.

As a result, total liabilities were ¥6,052 million, a decrease of ¥1,461 million compared with the end of the previous fiscal year.

Net assets

Net assets at the end of the fiscal year under review were ¥15,226 million, an increase of ¥1,465 million compared with the end of the previous fiscal year.

This was primarily due to profit attributable to owners of parent.

As a result, the capital adequacy ratio was 67.4% (61.3% at the end of previous fiscal year).

**(3) Overview of cash flows for the fiscal year under review**

With respect to cash flows for the fiscal year under review, the Company made necessary investments for stable business expansion on the premise of enhancing internal reserves.

As a result, cash and cash equivalents at the end of the fiscal year under review amounted to ¥645 million (a decrease of ¥385 million compared with the end of the previous fiscal year).

Respective cash flow status at the end of the fiscal year review and the factors are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥2,350 million (an inflow of ¥2,074 million in the previous fiscal year) primarily due to increases in profit before income taxes, depreciation, and trade receivables and a decrease in inventories.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥840 million (an outflow of ¥411 million in the previous fiscal year) primarily due to purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥1,895 million (an outflow of ¥1,230 million in the previous fiscal year) primarily due to repayments of long-term borrowings.

#### **(4) Future outlook**

The Japanese economy is expected to gradually recover in the medium- and long-term, but sufficient attention must be paid to concerns over the stagnation of the global economy due to the impact from COVID-19 and the situation of Russia and Ukraine.

The real estate market and construction market, which greatly affect the soil investigation and measures market, are considered to generally remain stable, underpinned by public investment and capital expenditures in the private sector, although the possibility of the suspension of construction and extension of delivery dates, etc. due to the recession cannot be denied.

The Company, therefore, will strengthen consulting sales and focus on winning orders for high value-added projects in addition to promoting the winning of orders to create a balanced portfolio using the profitability of the projects as a yardstick. Through these activities, the Company will aim to maximize net sales and the earnings level.

Projections for business results for the next fiscal year are as follows: net sales of ¥18,900 million (up 10.6% year on year), ordinary profit of ¥2,500 million (up 18.3% year on year), and profit attributable to owners of parent of ¥1,528 million (up 22.0% year on year).

The earnings forecasts are based on information currently available to the Company and certain assumptions deemed reasonable. These statements are not guarantees of future performance. In addition, actual results, etc. may differ materially from these forecasts due to a variety of reasons.



## **2. Basic policy regarding selection of accounting standards**

The Group business activity is conducted mainly in Japan, and the Company adopts the Japanese Generally Accepted Accounting Principle (GAAP).

The Company plans to examine the adoption of International Financial Reporting Standards (IFRS) based on operation trends in Japan and other factors.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheets

(Million yen)

	As of February 28, 2021	As of February 28, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	1,031	645
Notes and accounts receivable - trade	2,475	2,821
Inventories	680	281
Other	68	338
Allowance for doubtful accounts	(3)	(3)
Total current assets	4,252	4,083
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,913	9,319
Accumulated depreciation	(2,720)	(3,117)
Buildings and structures, net	6,192	6,201
Machinery, equipment and vehicles	4,559	4,898
Accumulated depreciation	(3,023)	(3,364)
Machinery, equipment and vehicles, net	1,535	1,534
Land	8,044	7,928
Leased assets	300	335
Accumulated depreciation	(118)	(159)
Leased assets, net	182	176
Construction in progress	123	205
Other	339	354
Accumulated depreciation	(249)	(261)
Other, net	90	92
Total property, plant and equipment	16,168	16,138
Intangible assets	19	20
Investments and other assets		
Investment securities	508	731
Deferred tax assets	261	256
Other	66	49
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	835	1,036
Total non-current assets	17,023	17,196
Total assets	21,275	21,279

(Million yen)

	As of February 28, 2021	As of February 28, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,158	1,087
Short-term borrowings	980	830
Current portion of long-term borrowings	1,542	1,386
Lease obligations	54	72
Accounts payable - other	211	360
Income taxes payable	273	538
Provision for bonuses	90	95
Other	435	314
Total current liabilities	4,746	4,685
Non-current liabilities		
Long-term borrowings	2,505	1,118
Lease obligations	143	117
Retirement benefit liability	114	131
Other	3	0
Total non-current liabilities	2,767	1,367
Total liabilities	7,513	6,052
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,287	2,287
Capital surplus	2,086	2,087
Retained earnings	8,552	9,703
Treasury shares	(11)	(25)
Total shareholders' equity	12,914	14,053
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	154	296
Remeasurements of defined benefit plans	(6)	(0)
Total accumulated other comprehensive income	148	295
Non-controlling interests	699	877
Total net assets	13,761	15,226
Total liabilities and net assets	21,275	21,279

**(2) Consolidated statements of income and comprehensive income****Consolidated statements of income**

(Million yen)

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Net sales	14,906	17,082
Cost of sales	12,252	13,379
Gross profit	2,654	3,703
Selling, general and administrative expenses		
Sales commission	92	126
Commission expenses	102	114
Provision of allowance for doubtful accounts	(11)	0
Remuneration for directors (and other officers)	158	165
Salaries, allowances and bonuses	526	574
Provision for bonuses	47	49
Retirement benefit expenses	33	43
Other	498	525
Total selling, general and administrative expenses	1,447	1,601
Operating profit	1,206	2,102
Non-operating income		
Interest income	0	0
Dividend income	7	10
Compensation received	0	2
Gain on investments in capital	7	-
Gain on investments in investment partnerships	16	-
Subsidy income	7	2
Proceeds from sale of iron scraps	2	2
Other	20	2
Total non-operating income	45	19
Non-operating expenses		
Interest expenses	9	8
Other	0	1
Total non-operating expenses	10	9
Ordinary profit	1,241	2,112
Extraordinary income		
Gain on sale of non-current assets	5	13
Total extraordinary income	5	13
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	24	1
Impairment losses	-	18
Total extraordinary losses	24	20
Profit before income taxes	1,222	2,104
Income taxes – current	484	722
Income taxes – deferred	(82)	(60)
Total income taxes	401	661
Profit	820	1,442
Profit attributable to non-controlling interests	131	190
Profit attributable to owners of parent	689	1,252

**Consolidated statements of comprehensive income**

(Million yen)

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Profit	820	1,442
Other comprehensive income		
Valuation difference on available-for-sale securities	63	142
Remeasurements of defined benefit plans, net of tax	(6)	5
Total other comprehensive income	57	147
Comprehensive income	877	1,590
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	746	1,400
Comprehensive income attributable to non-controlling interests	131	190

**(3) Consolidated statements of changes in net assets**

For the fiscal year ended February 28, 2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,287	2,082	7,964	(21)	12,312
Changes during period					
Dividends of surplus			(100)		(100)
Profit attributable to owners of parent			689		689
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		3		10	13
Net changes in items other than shareholders' equity					
Total changes during period	-	3	588	9	601
Balance at end of period	2,287	2,086	8,552	(11)	12,914

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	90	0	90	579	12,982
Changes during period					
Dividends of surplus					(100)
Profit attributable to owners of parent					689
Purchase of treasury shares					(0)
Disposal of treasury shares					13
Net changes in items other than shareholders' equity	63	(6)	57	119	176
Total changes during period	63	(6)	57	119	778
Balance at end of period	154	(6)	148	699	13,761

For the fiscal year ended February 28, 2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,287	2,086	8,552	(11)	12,914
Changes during period					
Dividends of surplus			(100)		(100)
Profit attributable to owners of parent			1,252		1,252
Purchase of treasury shares				(29)	(29)
Disposal of treasury shares		1		16	17
Net changes in items other than shareholders' equity					
Total changes during period	-	1	1,151	(13)	1,139
Balance at end of period	2,287	2,087	9,703	(25)	14,053

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	154	(6)	148	699	13,761
Changes during period					
Dividends of surplus					(100)
Profit attributable to owners of parent					1,252
Purchase of treasury shares					(29)
Disposal of treasury shares					17
Net changes in items other than shareholders' equity	142	5	147	178	325
Total changes during period	142	5	147	178	1,465
Balance at end of period	296	(0)	295	877	15,226

**(4) Consolidated statements of cash flows**

(Million yen)

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,222	2,104
Depreciation	917	941
Increase (decrease) in allowance for doubtful accounts	(15)	0
Increase (decrease) in provision for bonuses	22	4
Increase (decrease) in retirement benefit liability	(2)	24
Interest and dividend income	(7)	(10)
Interest expenses	9	8
Loss (gain) on investments in investment partnerships	(16)	-
Loss (gain) on investments in capital	(7)	-
Loss (gain) on sale of non-current assets	(5)	(13)
Impairment losses	-	18
Loss on retirement of non-current assets	24	1
Decrease (increase) in trade receivables	(120)	(346)
Decrease (increase) in inventories	186	399
Increase (decrease) in trade payables	(166)	(70)
Other, net	455	(248)
Subtotal	2,497	2,814
Interest and dividends received	7	10
Interest paid	(10)	(7)
Income taxes paid	(419)	(466)
Net cash provided by (used in) operating activities	2,074	2,350
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(539)	(955)
Proceeds from sale of property, plant and equipment	54	140
Purchase of investment securities	-	(25)
Proceeds from divestments	41	-
Other, net	31	0
Net cash provided by (used in) investing activities	(411)	(840)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(670)	(150)
Proceeds from long-term borrowings	989	-
Repayments of long-term borrowings	(1,386)	(1,542)
Purchase of treasury shares	(0)	(29)
Dividends paid	(100)	(100)
Dividends paid to non-controlling interests	(12)	(12)
Other, net	(49)	(60)
Net cash provided by (used in) financing activities	(1,230)	(1,895)
Net increase (decrease) in cash and cash equivalents	432	(385)
Cash and cash equivalents at beginning of period	599	1,031
Cash and cash equivalents at end of period	1,031	645



**(5) Notes on the consolidated financial statements****Notes on premise of going concern**

Not applicable.

**Segment information, etc.**Segment information

## 1. Overview of reportable segment

The reportable segments are constituent units of the Group for which separate financial information is available, and the Board of Directors periodically examines the segments to decide the allocation of management resources and evaluate business performance.

The Group designates Soil Investigation and Measures Business and Gypsum Board Recycle Business as two reportable segments.

In the Soil Investigation and Measures Business, the Company provides a comprehensive solution covering everything from investigation of soil contamination to purification treatment and carries out its business activities including sales activities in a united way. In the Gypsum Board Recycle Business, the Company supplies to gypsum board manufacturers gypsum powder manufactured mainly by the sorting, crushing, and sieving of waste gypsum boards, in addition to the manufacturing and sale of soil solidifiers mostly made of gypsum powder.

## 2. Methods for calculating net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting methods applied to the business segments reported are in accordance with the accounting policies used in preparation of consolidated financial statements.

Profits of reportable segments are based on operating profit.

Intersegment sales or transfers are based on prevailing market prices.

## 3. Information on the amounts of net sales, profit or loss, assets, liabilities, and other items for each reportable segment

For the fiscal year ended February 28, 2021

(Millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount in the consolidated financial statement (Note 3)
	Soil Investigation and Measures Business	Gypsum Board Recycle Business	Subtotal				
Net sales							
Sales to external customers	12,027	1,874	13,902	1,004	14,906	–	14,906
Intersegment sales or transfers	–	8	8	209	218	(218)	–
Total	12,027	1,883	13,910	1,214	15,125	(218)	14,906
Segment profit	1,291	424	1,715	163	1,878	(672)	1,206
Segment assets	15,930	2,759	18,690	586	19,276	1,999	21,275
Other items							
Depreciation	686	180	866	24	891	26	917
Increase in property, plant and equipment and intangible assets	536	35	572	38	610	3	614

Notes: 1. The “Other” category is a business segment not included in the reportable segments. It includes Environmental Analysis Business, BDF Business, PCB Consulting Business, etc.

2. The breakdown of adjustments is as follows.
  - (1) The negative ¥672 million adjustment for segment profit consists of ¥24 million for elimination of intersegment transactions and negative ¥696 million for corporate expenses not allocated to any reportable segment. Corporate expenses mostly consist of general and administrative expenses not attributable to any reportable segment.
  - (2) The ¥1,999 million adjustment for segment assets is corporate assets not allocated to any reportable segment or Other and mostly consists of head office buildings, etc. not attributable to any reportable segment or Other.
  - (3) The ¥26 million adjustment for depreciation is depreciation related to corporate assets not allocated to any reportable segment or Other.
  - (4) The ¥3 million adjustment for the increase in property, plant and equipment and intangible assets is an increase in corporate assets not allocated to any reportable segment or Other.
3. Segment profit is adjusted with operating profit in the consolidated financial statement.

For the fiscal year ended February 28, 2022

(Millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount in the consolidated financial statement (Note 3)
	Soil Investigation and Measures Business	Gypsum Board Recycle Business	Subtotal				
Net sales							
Sales to external customers	14,089	2,172	16,262	819	17,082	–	17,082
Intersegment sales or transfers	4	14	19	262	281	(281)	–
Total	14,094	2,187	16,281	1,081	17,363	(281)	17,082
Segment profit	2,090	618	2,709	88	2,797	(695)	2,102
Segment assets	15,967	3,251	19,219	433	19,653	1,626	21,279
Other items							
Depreciation	753	136	890	22	913	28	941
Increase in property, plant and equipment and intangible assets	728	288	1,016	15	1,032	13	1,046

Notes: 1. The “Other” category is a business segment not included in the reportable segments. It includes Environmental Analysis Business, BDF Business, PCB Consulting Business, etc.

2. The breakdown of adjustments is as follows.
  - (1) The negative ¥695 million adjustment for segment profit consists of ¥20 million for elimination of intersegment transactions and negative ¥716 million for corporate expenses not allocated to any reportable segment. Corporate expenses mostly consist of general and administrative expenses not attributable to any reportable segment.
  - (2) The ¥1,626 million adjustment for segment assets is corporate assets not allocated to any reportable segment or Other and mostly consists of head office buildings, etc. not attributable to any reportable segment or Other.
  - (3) The ¥28 million adjustment for depreciation is depreciation related to corporate assets not allocated to any reportable segment or Other.
  - (4) The ¥13 million adjustment for the increase in property, plant and equipment and intangible assets is an increase in corporate assets not allocated to any reportable segment or Other.
3. Segment profit is adjusted with operating profit in the consolidated financial statement.

**Per share information**

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Net assets per share	777.02 yen	854.20 yen
Basic earnings per share	41.00 yen	74.52 yen

Notes: 1. Diluted earnings per share are not presented since there are no dilutive shares.

2. The basis of calculation of net assets per share is as follows.

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
Total net assets	13,761	15,226
Amount deducted from total net assets	699	877
(Of which, non-controlling interests)	(699)	(877)
Net assets pertaining to common shares at the fiscal year-end	13,062	14,349
Number of common shares at the fiscal year-end used for the calculation of net assets per share (shares)	16,811,002	16,798,899

3. The basis of calculation of basic earnings per share is as follows.

(Millions of yen)

	For the fiscal year ended February 28, 2021	For the fiscal year ended February 28, 2022
Profit attributable to owners of parent	689	1,252
Amount not attributable to common shareholders	-	-
Profit attributable to owners of parent for common shares	689	1,252
Average number of shares during the period (shares)	16,807,132	16,801,794

**Significant subsequent events**

Not applicable.